

Borders College

Finance and General Purposes Committee

Meeting at 5.30 pm on Thursday 24 September 2009

Location: Board Room, Scottish Borders Campus, Galashiels

Minutes

ITEM	MINUTE	ACTION
Present In Attendance	Mr M Watson (Chairman) Ms S Dawson Mrs L McIntyre Mr N Roxburgh Mr C Chipakupaku (from 65/09) Mr P Smith Mr D Killean Ms J McGuinness (until 66/09) Mr J Withers Miss L Denham (Secretary)	
59/09	<u>Chairman's Welcome</u> Mr Watson welcomed everyone to the meeting.	
60/09	<u>Declaration of Conflict of Interest</u> There were no declaration of conflicts of interest.	
61/09	<u>Register of Members Interest</u> There were no registers of member's interest.	
62/09	<u>Apologies for Absence</u> Apologies for absence were received from Norman Howitt, Ian Ireland and Deirdre McKendry.	
63/09	<u>Minutes of Meeting held on 25th June 2009</u> The minutes of the meeting held on 25 th June were approved as a true and accurate.	
64/09	<u>Matters Arising</u> All actions were complete. <i>Agenda item 66/09 was taken at this stage on the agenda.</i>	

65/09	<p><u>Property Report</u></p> <p>Mr Killean presented the Committee with a paper showing financial out-turn scenarios of the project.</p> <p>At present the final account has yet to be settled however progress is being made.</p> <p><i>N Chipakupaku joined the meeting at this stage.</i></p> <p>The paper presented outlined income and expenditure models for three different scenarios based on final accounts valued at £17.7m, £18m and £18.5m.</p> <p>The modelling demonstrates that worst case where no further property is sold and final account is £18.5m the College has sufficient borrowing in place to cover the costs and the best case where the QS's current estimate if final account is realised there would be an under spend on the project of £77k.</p> <p>After discussion the Committee noted the positions presented and acknowledged they were confident that the College have in place professional advisors to help them reach the best possible outcome.</p>	
66/09	<p><u>BC Consultants Management Accounts</u></p> <p><u>Income & Expenditure Report - Paper C</u></p> <p>Ms McGuinness presented the BC Consultants Management Accounts to the Committee. These now show a projected year-end surplus of £32,518.</p> <p>Mrs McIntyre informed the Committee that the BCC Board were encouraged by the improvement of the company's performance.</p> <p>Ms Dawson congratulated BC Consultants staff on their hard work in turning the company accounts around.</p> <p>The Committee noted the current financial position of the Company.</p> <p><i>Ms McGuinness left the meeting at this stage.</i></p>	
67/09	<p><u>Draft Accounts 2008/09</u></p> <p><u>Paper D</u></p> <p>Mr Smith presented the Committee with a paper which gives an early indication of the Financial Out-turn for the year 2008-09.</p>	

	<p>He reported that they expect a group surplus of £200k to be met and summarised the highlights in the movement from the previously reported surplus in June 2009.</p> <p>The Committee noted the current financial position of the College.</p>	
68/09	<p><u>Business Review Format</u></p> <p>Mr Smith explained the previously circulated paper is an example of Group Summary Accounts which the Committee may wish to consider for adoption. The paper has been produced following a discussion which took place at the June meeting where the Committee considered whether it may now be appropriate to receive wider reports, including re-instatement of KPIs and accounting ratios.</p> <p>Mr Watson thanked Mr Smith for the work he had put into producing the paper however he felt the discussion should be deferred until the next meeting when more Committee members would be present.</p>	
69/09	<p><u>Treasury Management - Paper F</u></p> <p>Mr Smith presented a paper which advised the Committee on the College's cash position and projections to July 2010.</p> <p>He took the Committee through the paper and highlighted the college were due to take receipt of £1.27m Lennartz VAT refund within the next 10 days.</p> <p>Mr Smith and Mr Watson agreed to look at a procedure around the movement of monies within the treasury accounts.</p> <p>The Committee noted the position of the College's cash balances and projections.</p> <p>Mr Killean gave the Committee an update on the disposal of the Melrose Road site stating the interested party still remains interested on the condition of receiving planning consent. They have now provided the college with a proposed time frame on the planning consent process. The College still remains to market the site.</p>	PS/MW
70/09	<p><u>Self Evaluation – Paper G</u></p> <p><i>This item was dealt with after item 72/09 on the agenda.</i></p> <p>Mr Withers explained to the Committee they were required to undertake self evaluation of a number of areas which were delegated by the Board at its meeting on 7 February</p>	

	<p>08.</p> <p>After discussion it was agreed that Mr Withers should circulate the paper electronically to Committee members to allow them to complete the exercise after which he would produce a collective response for the Board of Management on the 10 December 2009.</p>	JW
71/09	<p><u>Telecommunications Contract – Paper H</u></p> <p>Mr Smith presented the Committee with a paper seeking approval to move some of the College's Telecommunications contracts from Executel to British Telecom (BT).</p> <p>He explained that this move is outwith the normal College procurement procedures however it would enable the college to enter a single contract with BT with the savings of £6,498 being achieved in one year.</p> <p>After discussion the Committee authorised the discontinuation of the Executel contract and a migration of telecommunication contracts to BT for a single year, pending procurement of a single long-term solution.</p> <p>The Committee also acknowledged that this was outwith the College's procurement procedures.</p> <p>(S Dawson, proposer; N Chipakupaku, seconder)</p>	
72/09	<p><u>Bursary Funding – Paper I</u></p> <p>Mr Killean presented the Committee with a paper updating them on progress with the accrued student travel expenditure and bursary commitment for 2009/10.</p> <p><i>Transport</i></p> <p>He informed the Committee he had reached an agreement with the Council where the College would pay the outstanding invoices but hold back £200k of payments until the necessary reports of actual expenditure had been verified.</p> <p>Scottish Borders Council will now produce monthly reports and will issue invoices on a monthly basis going forward.</p> <p><i>Bursary</i></p> <p>Mr Killean informed the Committee of the current pressures the bursary fund is experiencing. These pressures are partially due to an increase in applications and also an increase in enrolments of students who are over the age of 18 to equivalent time last year. The course costs and living expenses funds have now been fully committed and the College is forecasting a potential overspend on Bursary funds.</p>	

	<p>To date a total of £791,523 has been committed with a further £70k pending; these applications have been processed but not awarded to the students. There still remains around 100 applications to be processed.</p> <p>Mr Smith informed the Committee that he has spoken with Riona Bell from the Scottish Funding Council and all colleges are experiencing the same pressures however no indication to redistribution of funds could be given at this stage.</p> <p>A lengthy discussion took place around the College's position which highlighted the potential reputational risk the college may face.</p> <p>The Committee agreed that a decision paper should be presented to the Board in October outlining the college's position along with some contextual information from other colleges and areas within the budget where savings may be made if necessary.</p> <p>The Committee also suggested it was inappropriate to communicate with students at this time.</p>	DK
73/09	<p><u>Any Other Business</u></p> <p>There was no other business raised.</p>	
74/09	<p><u>Date of Next Meeting</u></p> <p>The next meeting of the Finance and General Purposes Committee will be held on 22nd October 2009 at 5.30 p.m. in The Board Room, Scottish Borders Campus, Netherdale, Galashiels.</p>	

Signed.....

Chairman

Signed.....

Clerk to the Board